**Srifting of thorium plant from Bombay to Orissa**

602. SHRI PRAMOD MAHAJAN: Wil the PRIME MINISTER be pleas-d to state.-

(a) whether it is a -fact that the Jovernment of India propose to shift horium plant from Bombay to Orissa;

(b) if so, what are the reason therefor;

(c) whether it is a fact that the foundation stone of new thorium plant of capacity of 300 tonnes was laid in 1982 by Dr. H.N. Sethna, the then Chairman of Atomic Energy Commission; and

(d) if so, what are the specific reasons for' which the Government of India have felt it necessary to wind I up the project and shift it to Orissa in only few years?

THE MINISTER OP STATE IN THE MINISTRY OF SCIENCE AND TECHNOLOGY AND THE MINISTER OF STATE IN THE DEPARTMENTS OF OCEAN DEVELOPMENT, ATOMIC ENERGY, ELECTRONICS AND SPACE (SHRI K. R. NARAYANAN): (a) Yes, Sir.

(b) The existing Plant *is* to be re placed as it has become very old and beyond the scope of economical repair and service. The Atomic Energy Commission decided to shift out of BARC premises in Trombay, plants and laboratories which are not directly related to the R&D Programmes of BARC.

(c) Yes, Sir.

(d) Although the foundation stone was laid in 1982, in view of the changed market situation of the product, the economic viability of the project had to be reviewed. Based on this review, further work on project was deferred and the project was revived in March. 1985. It was decided to shift the Plant to Orissa because all infrastructural facilities are available at OSCOM. This will make the project economically viable and it is also in keeping with the policy decision of the Atomic Energy Commission that commercial plants and laboratories which are not directly related to the R&D Programmes of BARC should be shifted out of BARC.

**Demonstration by Bank Employees**

603. SHRI PRAMOD MAHAJAN: Will the Minister of FINANCE be pleased to state:

(a) what were the demands of all India Bank Officer,s Association in their demonstration before Parliament on March 27, 1987; and

(b) what is the response of Government to these demands?

THE MINISTER OF FINANCE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) and (b) The demands made by All India Bank Employees' Association and All India Bank Officers' Association in their demonstration before Parliament on 27th March, 1987 included immediate take over of all Private Banks, nationalisation of all Foreign Banks, restructuring of Public Sector Banks, absorption of all Gramin Banks by sponsoring banks, formation of a Central Banking Authority, accelerated credit flow to the poor etc.

Reviewing of the functioning of the Banks is an on-going process and suggestions for improvement of the functioning of the banks and the banking system are considered by Reserve Bank of Tndia|Government wherever found suitable and feasible.

**Money in foreign, banks**

604. SHRI PRAMOD MAHAJAN: Will-the Minister of FINANCE be pleased to state:

(a) whether Government have information that there is unaccounted Indian money in foreign banks, if so the estimated amount of such money, the number of business houses and individuals involved; and

(b) the efforts so far made to Investigate the matter and bring the culprits to book?

THE MINISTER. OF FINANCE AND THE MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI): (a) and (b) Government is aware of the clandestine deposits in foreign banks by unscrupulous elements. Banks accepting such deposits have their laws of secrecy and do not disclose the details. Therefore it is not possible to estimate the unaccounted Indian capital abroad. Recently, however International Monetary Fund had published an occasional paper entitled "Switzerland's role as an International Financial Centrte. This study shows that in 1984 such deposits from all countries outside Switzerland amounted to Swiss Francs 342/375 million. For India, the estimate has been put at Swiss Francs 1.937 million, amounting to 0.6 per cent of the total such deposits.

The Enforcement Directorate of the Government of India is engaged in various operation? to detect transfers of funds out of India in violation of the Foreign Exchange Regulations Act. Raids and prosecution of persons violating FERA have been stepped up.

A team of expert headed by Shri A. Ghosh Deputy Governor, Reserve Bank of India, was deputed to Switzerland to obtain first hand information on the existing Swisss legal framework and procedures for obtaining information from Swiss Banks and to study the treaties/agreements entered into by Switzerland with other countries for rnutual assistance in investigation of criminal matters. The team held discussions with representatives and officials of the Swiss Division of International Legal Assistance and Police Matters. Swiss National Bank and the Swiss Federal Banking Commission.

In the light of the recommendations of the expert delegation, Government is initiating steps to enter into a treaty for mutual assistance in criminal matters with Swiss authorities, and pending conclusion of such a treaty|agreement entering into a Memorandum of Understanding with Swiss authorities for assistance in specific cases of Indians having accounts in Swiss Banks with funds obtained illegally.

**Criteria for Opening of Letter of Credit**

605. SHRI RAJNI RANJAN SAHU; Will the Minister of FINANCE be pleased to state:

(a) what are the criteria in regard to the opening of L. *C*- on bank to bank basis;

(b) whether 100 per cent deposit against opening of L. C. (mland) is required;

(c) if so, the reasons therefor;

(d) what are the criteria adopted by banks in regard to opening of Letter of credit (foreign); and

(e) the reasons for difference, if any, in opening of L. C. (inland) and L.C. (foreign)?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) to (e) The opening of Letter of Credit (L/C) by banks on behalf of their customers is normally undertaken on the basis of the capacity, character and creditworthiness of the customers. The margin and security requirements for opening an L/C by issuing bank in favour of seller's bank are governed by the guidelines laid down by Reserve Bank of India and by the Bank itself. Taking of deposits against the amount of L/C towards margin requirements depends upon the discretion and commercial judjeefment of the opening bank. There is no significant difference in the opening of Letter of Credit (foreign) and Letter of Credit (inland), except that In